

Press release: 2016 year-end report

The Irizar Group continues to grow and close 2016 with a turnover of more than 580 million Euros.

Ormaiztegi, 10 February 2017

Irizar's headquarters in Ormaiztegi is, along with Mexico's, the group's new engine for growth. **Irizar Ormaiztegi's turnover is again 50% of the groups, supported by the growth of value added in its products.**

The key is in consolidation of its growth strategy for its own products, integral coaches, that suppose a 25% increase in production of coaches in the parent company.

The Spanish intercity coach market is growing again, reaching historical numbers and recuperating, in these last three years, from the negative numbers of the last five years. Irizar's has 40% of Spain's market share, reaffirming their position as leader in the Premium segment of coaches.

The company would also like to highlight the start of sales in the US market, and the great acceptance that the integral i6 Model has had. The market's expectations have been truly outstanding.

The groups executives want to highlight the start of the deliveries of the first integral buses in Mexico, where the forecast, based on the current list of orders for 2017, is unbeatable.

Another noteworthy aspect is the increase in its product's value added, as a result of the brand's strategy that Irizar has been laying out for the last few years. Innovation and technology are, increasingly more and more, determining factors in the group's strategy and daily tasks.

Continue the incorporation of highly qualified personnel that runs our R+D programs, both for our integral buses and the new electromobility line.

Turnover for the factories abroad has supposed 30% of this year's total. The remaining companies have provided the remaining 20%.

While Brazil continues in a deep crisis, it is worth noting the growth in Mexico's plant, where they have manufactured 1000 coaches. This supposes a historic record in the country's volume, which is very important for the group. Mexico positions itself, once again, as the best in the market for the group.



The great acceptance and start of the manufacturing of the i8, our top of the line product, has made this jump in sales volume a reality in this country.

In Morocco, this year we again reach a record turnover from covering the country's luxury market demand and from assisting Irizar Ormaiztegi with the manufacture of units of the Century model for European markets.

In 2016 we have created Irizar Emobility, the group's electromobility company. Located in Gipuzkoa, in the municipality of Aduna, its production plant is about finished and will start running in May of this year.

With respect to nuances in terms of products, we must highlight last year's launch, the next generation of the Irizar i6, the Irizar i6S, that both in terms of technology and aesthetics, is the new conception for Irizar products, starting with the launch of the Irizar i8. The Irizar i6S is called to be a referent in the Spanish and European markets because of its specifications adapted to the needs of these markets.

Also in coherence with the group's sustainability policy we have launched the Irizar i4 and Irizar i3 hybrids. In this sense Irizar is the first European company to position itself in the class II hybrid coach segment.

Optimistic previsions for 2017

This year Group forecasts another growth in the manufacturing of the integral coaches, and the parent factory continues to suppose 50% of the group's manufacturing.

The hybrid's expectations are also quite good. They continue to develop variants capable of satisfying the client's and market's needs.

The forecasts for the manufacturing of Irizar brand integral coaches in the Ormaiztegi plant will suppose 30% of its production. And in Mexico it will surpass the 10% of its production, with more than 100 units.

And finally, in terms of future strategy, we would like to mention the excitement and great expectations for the new electromobility plant. This 2017 will be a year focused on the development of the product range and the manufacturing of prototypes, along with the pre-series of those already manufactured. Moreover, the production of the Irizar i2e from 10.8 to 12 metres.

With the recent winning of of the contest for two complete lines of 18 units of electric articulated buses for Bayonne's municipality, to be manufactured in 2018, the Irizar group is very optimistic about its activities' potential.